

20 MILLION RECIPIENTS OF SS GET RUDE AWAKENING

Americans to See Deficit Upwards of \$15 Billion for Coming Fiscal Year

By Congressman JAMES B. UTT

During the second week in February, 1967, Congress engaged in its semiannual exercise of raising the debt limit by \$6 billion for the next four months, which is the end of fiscal 1967. We will again be confronted in June of this year with a request from Treasury to increase the debt limit by another \$10 billion. This all comes about because of the unprecedented spending by the Administration, partially for the support of the war, and partially on domestic spending to expand the so-called Great Society. In the meantime, foreign aid spending goes on at an increased tempo.

This increase in the debt limit could have been avoided by voting for a reduction in expenditures in the last Congress. Many of these expenditures might not have occurred if the Administration had been honest with Congress and with the American public. In September of last year, President Johnson told a news conference that the Administration was operating within the expenditure budget of \$112 billion, when he knew that he was running more than one billion dollars a month above the estimates which had been furnished earlier in the year.

At that time, there were pending before Congress many appropriation bills, including "renticare," "teacher corps," and many other fringe benefits for the Great Society. Treasury refused to give an updated, mid-term report which would have revealed the true state of the budget. These midterm revision reports had always been furnished to Congress and to the public in years past — but, being an election year, the public was misled.

The Republicans on the Appropriations Committee said publicly, on the Floor of the House, that expenditures were being underestimated and that the cost of the war in Vietnam was being understated by \$10 billion, which proved to be an absolute fact. And, had it not been for increased revenues, the current deficit would be \$18 billion rather than \$8 billion. It would even be greater were it not for the "hocus pocus," "higgery-jiggery" figures in deceitful accounting.

Let me explain. There are only certain government obligations which fall within the debt-limit statute. The sale of Participating Certificates by Treasury does not fall within the debt limit, even though these Certificates carry the full faith and credit of the government, as to principal and interest, and rightfully belong within the debt limit. Treasury has sold more than a billion dollars of these Certificates and will sell an additional \$2 billion between now and June 30th, so that with selling the \$6 billion permitted under the new law, it will actually sell \$8 billion, \$2 billion of which will be by way of this backdoor gimmick.

A month ago, Treasury Secretary Fowler announced with pride that he had raised a half-billion dollars and reduced the national debt by a half-billion dollars at the same time. How could this be? It is simple. He took a half-billion dollars of securities which do not fall under the national debt, put them in the Social Security fund, and used the money to reduce the obligations which are under the national debt limit. But we still owe the same amount. So you can see that the credibility gap is widening as well as deepening.

THE SECRETARY OF THE TREASURY, IN TESTIFYING BEFORE OUR COMMITTEE, SAID THAT,

IF WE DID NOT RAISE THE DEBT LIMIT, HE WOULD NOT BE ABLE TO SEND OUT SOCIAL SECURITY CHECKS FOR THE MONTH OF MARCH. THIS MAY BE A RUDE AWAKENING TO TWENTY MILLION RECIPIENTS OF SOCIAL SECURITY, TO FIND THAT THE SO-CALLED TRUST FUND DOES NOT EVEN EXIST; OUTSIDE OF \$4 BILLION IN MARKETABLE SECURITIES, THE BALANCE IS ALL IN THE FORM

GOVERNMENT, WHICH IN TURN MUST TAX AGAIN OR BORROW THE MONEY NECESSARY TO REDEEM THESE IOU'S.

Payments have been withheld on highway construction even though there is supposed to be more than \$8 billion surplus in the highway fund — but that fund also has been used for general government expenses. I have always contended, and still do, that these trust funds should be invested in Triple-A securities, other than government obligations, so that they could be liquidated in any emergency.

We can look forward to a deficit of upwards of \$15 billion for the coming fiscal year. The government has been indulging itself in advancing income which normally would come in the current and following year, which will have what might be called a "one-shot" effect, but will have to be replaced by other income later; and the day of reckoning is at hand.

There is another deceitful method being used in the budget, and that is saying that the sale of Participating Certificates and other assets constitute a reduction in expenditures, for the simple reason that the money goes into and out of the agency without appropriation control by Congress. All of this is done to make the people think that the present Administration does not have a deficit as large as one deficit in the Eisenhower Administration, during a temporary recession.

There has not been a balanced budget SINCE the Eisenhower Administration, which had a surplus in fiscal 1961. The following figures indicate what has been happening. In 1962, first full Kennedy year, regular-budget spending, minus Social Security and other trust funds, was \$87.8 billion; with these funds, \$107.7 billion. In the fifth Johnson year, regular spending will go to \$135 billion, up about \$47 billion. Add Social Security and other trust funds, and it will be \$173 billion, up about \$65 billion. These figures help to explain why there is a growing demand for a reduction in expenditures. Failure on the part of Congress to do this will indicate that "it's time for a change."

SOCIALISM FIRST, THEN — — —

"From capitalism to communism, through the intermediary stage of socialism; that is the way American society, like society in general, is headed."—William Z. Foster, former chairman of the Communist Party of America.

"Striving for socialism, we are convinced that it will develop further into communism."—Lenin.

"Communists work for the establishment of socialism as a necessary transition stage on the road to communism." — John Strachey of the British Labor Party.

EACH ONE REACH ONE

As we reflect the critical situation of our country, and how dangerously close we are to losing it to a diabolical, insane enemy, we realize it is primarily because the truth has not been given to the people.

If the truth were known, the American people would rise up as one and destroy the traitors who are subverting every phase of their lives from birth to death.

At this late hour, we make no rash promise to save the world, but we do know that every informed person is a nail in the enemy's coffin.

We must reach more people with the truth. Will you join the crusade by sending us a dollar and ten names of local townsfolk to whom we can send samples of Common Sense? Like a pebble dropped in a lake, we will never know where the ripple ends — we will never know the good that will result from this effort within the means of everyone. Remember, there is only one straw needed to break the camel's back — it could be yours!

Send us your dollars and ten names today. Stamps welcome and appreciated.

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GLORIFIED WELFARE STATE

Sweden, "Socialist Paradise," is coming apart at the seams. Held together, like the United States, by what remains of the free market place, the greed encouraged by its "social security" and other "something for nothing" schemes is fast destroying what remains of its productive sector. After all, if one is to be rewarded on the basis of "need," and those producing are to be penalized to reward those who don't, why should anyone exert themselves? The answer is, most won't!

Sweden, whose socialistic program is being copied by our own bureaucratic dreamers, endeavored to provide cradle to grave security; including housing subsidies, rent rebates for low-income groups, free hospitalization, subsidies for doctors' bills and drug bills, free care in childbirth, cash allowances for maternity, free higher education, sick pay, unemployment insurance and old age and disability insurance.

After 20 years of building the Swedish "Great Society," most of the country's problems not only remain unsolved but, in some cases, are growing greater.

The costly welfare and educational "reforms" have not curbed crime, alcoholism and drug addiction. Sweden's crime rate has doubled since 1950, with juvenile crime making up most of the increase. Homicides and robberies are up 80 per cent in three years. Rape, in the same period, climbed 56 per cent. Acute alcoholism and drug addiction, in the age group 15-24, are assuming epidemic proportions.

Government control of housing has discouraged the private building of homes, with the result that Sweden's housing crisis is more severe than 20 years ago.

Demand for medical and hospital treatment under Sweden's compulsory "health-insurance" plan has expanded faster than anticipation and incoming funds. Waiting time for a bed in a hospital is as high as a year. Seriously ill and dying people have been shunted into corridors to make room for the growing "free sick" flood.

And who pays for it all?

The Swedes, to their amazement, are finding that they do themselves; with the upkeep of the burgeoning bureaucracy adding to the tab.

Total taxes (and it is doubtful this represents the full cost, since the Swedes, like us, have their share of hidden taxes) now amount to 40 per cent of the gross national product — up 31.3 per cent since 1960.

And what do the Swedes propose to do in their hour of crisis? Just what our own bureaucrats are doing as our own economy is beginning to falter. Administer more of the same poisonous socialistic medicine. Instead of freeing the market place and individual initiative and letting them dig the country out of its bureaucratic mess, the government can only think of more controls and heavier taxes.

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